

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT** Hess Ranch Metropolitan District No. 4  
**ADDRESS** 8390 E Crescent Parkway  
Suite 500  
Greenwood Village, CO 80111  
**CONTACT PERSON** Jason Carroll  
**PHONE** 303-779-5710  
**EMAIL** Jason.Carroll@claconnect.com  
**FAX** 303-779-0348

For the Year Ended  
12/31/16  
or fiscal year ended:

1320.04

### PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:** Jason Carroll  
**TITLE** Accountant for the District  
**FIRM NAME (if applicable)** CliftonLarsonAllen LLP  
**ADDRESS** 8390 E Crescent Parkway Suite 500 Greenwood Village, CO 80111  
**PHONE** 303-779-5710  
**DATE PREPARED**  
(Must be prepared prior to Board approval) 2/6/2017

**PREPARER** (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT.

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)



**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)



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**RECEIVED**

By Justin L. Smith at 12:44 pm, Mar 29, 2017

## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description		Round to nearest Dollar
2-1	Property	\$	-
2-2	Specific ownership	\$	-
2-3	Sales and use	\$	-
2-4	Other (specify):	\$	-
2-5	Licenses and permits	\$	-
2-6	Intergovernment Grants	\$	-
2-7	Conservation Trust Funds (Lottery)	\$	-
2-8	Highway Users Tax Funds (HUTF)	\$	-
2-9	Other (specify):	\$	-
2-10	Charges for services	\$	-
2-11	Fines and forfeits	\$	-
2-12	Special assessments	\$	-
2-13	Investment income	\$	-
2-14	Charges for utility services	\$	-
2-15	Debt proceeds <span style="float: right;">(should agree with line 4-4, column 2)</span>	\$	-
2-16	Lease proceeds	\$	-
2-17	Developer Advances received <span style="float: right;">(should agree with line 4-4)</span>	\$	-
2-18	Proceeds from sale of capital assets	\$	-
2-19	Fire and police pension	\$	-
2-20	Donations	\$	-
2-21	Other (specify):	\$	-
2-22		\$	-
2-23		\$	-
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$	-

Please use this space to provide any necessary explanations

## PART 3 - EXPENDITURES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description		Round to nearest Dollar
3-1	Administrative	\$	-
3-2	Salaries	\$	-
3-3	Payroll taxes	\$	-
3-4	Contract services	\$	-
3-5	Employee benefits	\$	-
3-6	Insurance	\$	-
3-7	Accounting and legal fees	\$	-
3-8	Repair and maintenance	\$	-
3-9	Supplies	\$	-
3-10	Utilities and telephone	\$	-
3-11	Fire/Police	\$	-
3-12	Streets and highways	\$	-
3-13	Public health	\$	-
3-14	Culture and recreation	\$	-
3-15	Utility operations	\$	-
3-16	Capital outlay	\$	-
3-17	Debt service principal <span style="float: right;">(should agree with Part 4)</span>	\$	-
3-18	Debt service interest	\$	-
3-19	Repayment of Developer Advance Principal <span style="float: right;">(should agree with line 4-4)</span>	\$	-
3-20	Repayment of Developer Advance Interest	\$	-
3-21	Contribution to pension plan <span style="float: right;">(should agree to line 7-2)</span>	\$	-
3-22	Contribution to Fire & Police Pension Assoc. <span style="float: right;">(should agree to line 7-2)</span>	\$	-
3-23	Other (specify):	\$	-
3-24		\$	-
3-25		\$	-
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$	-

Please use this space to provide any necessary explanations

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? <span style="font-size: small;">If Yes, please attach a copy of the entity's Debt Repayment Schedule.</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Please answer the following questions by marking the appropriate boxes.

	Yes	No	
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 1,589,380,000.00 Date the debt was authorized: 11/3/2015	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-9 Does the entity have a certified Mill Levy? If yes: Please provide the following mills levied for the year reported:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Bond Redemption		-
	General/Other		-
	<b>TOTAL</b>		<b>-</b>

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

		Yes	No
6-1	Does the entity have capital assets?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain:	<input type="checkbox"/>	<input checked="" type="checkbox"/>

N/A

		Balance - beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
6-3	Complete the following capital assets table:				
	Land	\$ .	\$ .	\$ .	\$ .
	Buildings	\$ .	\$ .	\$ .	\$ .
	Machinery and equipment	\$ .	\$ .	\$ .	\$ .
	Furniture and fixtures	\$ .	\$ .	\$ .	\$ .
	Construction In Progress (CIP)	\$ .	\$ .	\$ .	\$ .
	Other (explain):	\$ .	\$ .	\$ .	\$ .
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ .	\$ .	\$ .	\$ .
	<b>TOTAL</b>	<b>\$ .</b>	<b>\$ .</b>	<b>\$ .</b>	<b>\$ .</b>

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

		Yes	No
7-1	Does the entity have an "old hire" firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ .
State contribution amount:	\$ .
Other (Gifts, donations, etc.):	\$ .
<b>TOTAL</b>	<b>\$ .</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

		Yes	No	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8-2	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If yes: Please indicate the amount appropriated for each fund for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 50,000

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

**9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?



Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

**10-1** Is this application for a newly formed governmental entity?



If yes: Date of formation: **5/23/2016**

**10-2** Has the entity changed its name in the past or current year?



If yes: Please list the NEW name & PRIOR name:

**10-3** Is the entity a metropolitan district?



Please indicate what services the entity provides:

Public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

**10-4** Does the entity have an agreement with another government to provide services?



If yes: List the name of the other governmental entity and the services provided:

The District is affiliated with Hess Ranch 1-3 and 5-8 to perform the services as described in the Service Plan.

**10-5** Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]



If yes: Date Filed:

Please use this space to provide any explanations or comments:

# PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 or less must have an application prepared by a person skilled in governmental accounting, completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL current governing board members below.

A MAJORITY of the governing board members must complete and sign in the column below.

Board Member 1	Print Board Member's Name Tracy J. Hutchins	I <u>Tracy J. Hutchins</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2/28/17</u> My term Expires: <u>May 2020</u>
Board Member 2	Print Board Member's Name Cindi M. Rodriguez	I <u>Cindi Rodriguez</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2/28/17</u> My term Expires: <u>May 2020</u>
Board Member 3	Print Board Member's Name Gary L. Hunter	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2020</u>
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

**Original Signatures  
Verified by**

Justin L. Smith



board exemption



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.CLACONNECT.COM

## **Accountant's Compilation Report**

Board of Directors  
Hess Ranch Metropolitan District No. 4  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 4 as of and for the year ended December 31, 2016, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Hess Ranch Metropolitan District No. 4

*CliftonLarsonAllen LLP*

Colorado Springs, Colorado  
February 6, 2017